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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/215,058	12/17/1998	NED HOFFMAN	STA-14	7856

7590 06/20/2002

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EXAMINER

MYHRE, JAMES W

ART UNIT PAPER NUMBER

3622

DATE MAILED: 06/20/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

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Office Action Summary

Application No.
09/215,058

Applicant(s)
Hoffman et al

Examiner
James W. Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Apr 22, 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12 and 23 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-12 and 23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 7 6) ☐ Other:

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DETAILED ACTION

Response to Amendment

1. The amendment filed on April 22, 2002 has been considered but is ineffective to overcome the Musgrave et al (6,202,151), Musgrave et al (6,105,010), Stinson et al (6,045,039), and Houvener et al (6,070,141) references.

Specification

2. The amendment filed on April 22, 2002 submitted a new specification correcting the deficiencies objected to in paragraphs 1-4 of paper number 3. Therefore, these objections are hereby withdrawn.

Double Patenting

3. The amendment filed on April 22, 2002 canceled Claims 13-22, thereby overcoming the statutory double patenting rejection of these claim in paragraphs 5 and 6 of paper number 3. The amendment also states on page 5 that a "terminal disclosure is filed herewith to overcome the rejection of claims 1-12 as being double-patented". However, the Examiner can find no evidence that a terminal disclaimer was received. Thus, the double patenting rejection of these claims in paragraphs 7 and 8 of paper number 3 still stands.

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Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1, 3-6, 8, 10, 12, and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151).

Claims 1 and 23: Musgrave (151) discloses a method for authorizing transactions using biometric identification, comprising:

- a. Registering the user's (customer's) biometric and account data (col 6, lines 42-51);
- b. Adding the customer's current biometric data to transaction offer data upon acceptance of the transaction by the customer (col 5, lines 15-22);
- c. Transmitting the combined data to a remote authentication system (col 5, lines 27-35);
- d. Comparing the transmitted biometric data with the stored registered biometric data to verify the identity of the customer (col 5, lines 53-63);
- e. Transferring the payment between the customer's account and the merchant's account (or another of the user's accounts, e.g. electronic funds transfer from checking account to savings account)(col 6, lines 13-15); and

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f. Presenting the results to the customer, merchant, or both (col 6, lines 13-15).

While Musgrave (151) discloses using this biometric identification system for electronic transactions and banking functions (e.g. ATM terminal)(col 1, lines 32-35) to include transferring funds between accounts, it is not explicitly disclosed that the merchant's account is going to be pre-registered with the system, nor that the merchant proposes a transaction offer to the customer. The Examiner notes that it is common to pre-register merchants and their account numbers with commerce systems for a variety of reasons. For example, pre-registering merchants provides a higher level of assurance to the customer that the merchant is an "approved" merchant that can be trusted to provide the goods/services. Pre-registering merchants also enabled the system to charge a pre-negotiated transaction fee to the merchant, such as is common with credit card transactions. By pre-registering, merchants are also able to complete transactions without having to transmit their account number over unsecure lines (e.g. the Internet) each time. For these and other well known benefits, it would have been obvious to one having ordinary skill in the art at the time the invention was made to register the merchant and to include at least one of the merchant's financial account number. One would have been motivated to include such a registration step for the merchants in the Musgrave (151) invention in view of the reasons above and Musgrave's (151) discussion of the importance of data protection on the Internet.

The Examiner notes that the definition of the merchant's transaction offer in Claim 1, wherein "the proposed commercial transaction comprising price information", reads on a catalogue, an advertisement, sales flyer, or verbal price quote by the merchant. Since almost all

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customers (except, possibly, extremely rich customers) would want to know the price of the goods/services before purchasing the goods/services, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the merchant to present the price of the goods/services to the customer. One would have been motivated to present the price to the customer in order to allow the customer to make a better business decision on the quality of the offer.

Likewise, the limitation of step f above presenting the results to the customer or merchant is not explicitly disclosed. However, the cited passage and col 3, lines 60-63) disclose that the “receiver responds to the authentication decision and processes the electronic transaction as being authentic from the user or as fraudulent”. The Examiner notes that it is normal practice in the retail arts to inform the participants when a transaction is completed. This may take place by printing a receipt, displaying an approval message, activating an approval light on a cash register, or transmitting an approval indication via mail, fax, email, phone, etc. Since Musgrave discloses processing the transaction upon authenticating the identity of the user, it would have been obvious to one having ordinary skill in the art at the time the invention was made to present the results to the customer, the merchant, or both. One would have been motivated to present the results to the participants in order to enable them to verify that the transaction was complete and that the goods could be transferred to the customer.

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Claims 3-6: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above, but does not explicitly disclose using an account code to select an account, assigning a name to the account code, nor displaying a list of the accounts to the customer upon successful identification. Official Notice is taken that it is old and well known within the banking arts to display a list of accounts to a user (such as when operating an ATM terminal) and to identify the accounts using account codes and account names. For example, when a customer logs onto an ATM terminal and selects the type of desired transaction, the terminal will display a list of pertinent accounts and ask the customer to select one or more (depending upon the type of transaction). The list of accounts do not normally show the entire account number, which may be quite extensive in length, but rather the list consists of an account code (e.g. A, B, C, and D) and an associated account name (e.g. checking, savings, Christmas Club, money market). The customer normally selects the desired account by pressing the keyboard button indicated by the account code. A similar system is used to allow a customer to select the desired account when completing a transaction at a merchant's facility, such as a travel agency. If the customer has several travel accounts (e.g. business, executive, and personal), the system will display the list of the customer and allow the customer to enter the account code for the desired travel account. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to display a list of accounts to Musgrave's (151) customer using account codes and account names and to allow the customer to select the desired account. One would have been motivated to display and use such a list in order to eliminate the

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need for the customer to remember the lengthy account numbers of each account, thus facilitating a more expeditious selection of the desired account and decreasing the opportunity for erroneous (undesired) selections.

Claim 8: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above and further discloses the data being communicated between remote computer systems to determine resources and/or construct the credit authorization draft (col 3, lines 40-64).

Claim 10: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above, but does not explicitly disclose that the customer can receive cash back during the transaction. The Examiner notes that cash back transactions are extremely well known throughout society and are the major means for many people to maintain their supply of cash-on-hand for small purchases. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer in Musgrave (151) to receive cash back during a transaction by entering an amount that exceeds the amount of the goods/services being purchased. One would have been motivated to allow a cash back transaction in order to increase customer satisfaction and goodwill and to allow the customer to have the cash to "tip" the merchant representative for exceptional service, provide change for parking meters, etc.

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Claim 12: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above, and further discloses the type of biometric data being used consisting of one or more of a fingerprint, a retinal image, or voice print (col 4, lines 23-47).

6. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Stinson et al (6,045,039).

Claim 2: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above, but does not explicitly disclose determining if the customer has sufficient funds in the account. Stinson discloses a similar method for authorizing transactions using biometric identification which also discloses determining if the customer's account has sufficient funds (col 7, lines 60-61). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to determine if the customer's account in the Musgrave (151) invention contained sufficient funds. One would have been motivated to determine this in order to proceed with the electronic funds transfer as disclosed by Musgrave (151).

7. Claims 7 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Musgrave (6,105,010).

Claim 7: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above, but does not explicitly disclose creating a credit authorization

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draft. The Examiner notes that credit authorization drafts as disclosed by Claim 7 are well known within the business arts and are used extensively in business-to-business transactions to allow transactions to be completed, for example, without the need to pre-approve a transaction in which the final price may not be known ahead of time (i.e. repair of an office machine). Furthermore, Musgrave (010), which claims priority from the same provisional applications as the (151) reference, discloses a similar method for authorizing transactions using biometric identification and also discloses creating a credit authorization draft (col 5, lines 35-42). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to create a credit authorization draft in the (151) reference. One would have been motivated to include the creation of a credit authorization draft in the (151) reference in view of the simultaneous filing of both applications based on the same provisional applications and in order to facilitate business-to-business transactions without overburdening the two accounting departments.

Claim 9: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above. While Musgrave (151) discloses including and using the transaction data in the method, it is not explicitly disclosed that the transaction data contains one or more of a list of goods/services, a seller name, a date and time, a location, or an invoice number. The Examiner notes that these are well known elements usually contained in transaction data files. Furthermore, Musgrave (010) discloses a similar method for authorizing transactions using biometric identification, which also discloses the transaction data including goods/services

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(software or music data - col 4, lines 23-32), location (shipping instructions - col 5, lines 35-42), etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include one or more of these elements in the Musgrave (151) transaction data. One would have been motivated to include these features in order to facilitate delivery of the purchased goods/services and to better identify the transaction for accounting processing by all parties concerned.

8. Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Houvener et al (6,070,141).

Claim 11: Musgrave (151) discloses a method for authorizing transactions using biometric identification as in Claim 1 above, but does not explicitly disclose checking for duplicate biometric data during the user registration process. Houvener discloses a similar method for authorizing transaction using biometric identification which further discloses checking incoming registration biometric samples against previously stored biometric samples to prevent duplicate registration of individuals, either inadvertently or for fraudulent purposes (col 6, lines 52-67 and col 7, lines 38-42). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to checking the registration database in Musgrave (151) for duplicates during user registration. One would have been motivated to check for duplicate biometric data in order to prevent users from defrauding the system by opening more than one account with different aliases as disclosed by Houvener.

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Response to Arguments

9. Applicant's arguments filed April 22, 2002 have been fully considered but they are not persuasive.

a. The Applicant argues in reference to Claim 1 that in view of Musgrave's disclosure that "the receiver processes the electronic transaction, such as an electronic funds transfer" the "receiver 44 must be a financial institution" (page 6). The Examiner notes that the Applicant is reading much more into Musgrave than what is disclosed. Musgrave does not disclose that the receiver actually debits or credits any accounts, only that it processes the electronic transaction. This is the same as saying that a merchant processes your credit card or check payment. Additionally, the disclosure that during registration the user provides proof of identity (i.e. birth certificate, driver's license, bank account data, credit card account data, etc.)(col 6, lines 44-47) lends further support that the receiver is not a financial institution, since a financial institution would already have the user's bank account data. Furthermore, while the Applicant argues that the receiver is separate from the BCMS, the Examiner notes that both are on one side of the "network" (see Figure 4). This would infer that both are software programs running on the same computer system, using the Applicant's terminology. One program (the receiver) is the communications/decryption part of the system, while the other program (the BCMS) is the part that verifies (authenticates) the identity of the buyer in the transaction.

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b. The Applicant also argues that it would not have been obvious to register the seller with the computer system because the biometric certificate is sent to the seller's financial institution. As discussed above, the biometric certificate is sent to Musgrave's computer system, not a financial institution. In addition, Musgrave explicitly discloses that "the transaction/signature authentication process can be done either centrally or remotely, depending upon the needs of the transaction" (col 6, lines 34-36). This also discredits the interpretation that the biometric certificate must be sent to the seller's financial institution. While the Examiner admits that it is possible that a financial institution could also be acting as the computer system which includes the receiver and BCMS of Musgrave's invention, it would be highly unusual that the seller's bank would register all the buyers as disclosed. Thus, the Applicant's argument that the biometric certificate must be sent to the seller's financial institution is non-persuasive.

c. The Applicant's argument in reference to the sequence of "hops" taken by Musgrave results in a loop of information (page 7) and that there is no such loop in the present invention, is again made under the misinterpretation that the receiver and BCMS are not in the same computer system. As discussed above, the two objects are part of the same computer system, and the "loop of information" is merely information being passed back and forth between objects within the system. This is the normal method of processing data when using object-oriented programming languages.

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d. The Applicant's argument on the definition of "identification" and "authentication" is non-persuasive. The Applicant argues that "authentication is much easier than identification" in that it "involves comparing the individual's credentials with a set of credentials known to be from that individual" (page 7). The Applicant further argues that Musgrave includes a "limitation that the user identify himself, and the system merely checks to see if the user's identity is authenticated", but "does not identify the user". These two statements seem to contradict each other. First, the Applicant states that authentication is easier than identification, but then states that once a person has been identified his identity is authenticated. The Examiner notes that determining the identity of an individual could merely be asking the individual's name. If the individual responds with "John Smith", his identity has been established. In order to authenticate that the individual really is John Smith, it is compared to a form of trusted identification, such as a driver's license, social security card, etc. Once a match has been made, the identity of the individual has been authenticated, e.g. the identity of the individual has been established as correct. In both the present invention and in Musgrave the buyer submits biometric data to the system, which then compares the data to the biometric data stored during the registration process to determine the identity of the buyer. Whether this process is called identification or authentication does not change the steps involved. The Examiner also notes that the user in Musgrave does not identify himself as argued, but merely submits biometric data with the transaction data. There is no disclosure anywhere in the reference that the user even submits his name along with the biometric data.

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e. The Applicant also argues that Musgrave does not disclose presenting the results to the user or seller (page 7). This has been discussed at length in the rejection of Claim 23 in paragraph 5 above.

f. The Applicant argues in reference to Claim 11 that neither Musgrave nor Houvener disclose the system checking “to see if a user has registered for the second time with the system. If the user has registered twice, then the user can be identified as a potential perpetrator of fraud” (page 9). The Examiner notes that Musgrave uses the biometric identification data to detect attempted fraudulent transactions (col 3, lines 60-63 and col 6, lines 56-59). Houvener also discloses using biometric identification data (col 12, lines 25-27) to prevent fraudulent transactions and further discloses tracking various fraud indicators such as the “individual enrolling an abnormally large number of accounts with a short period of time or a large number of accounts under different names using a common address” (i.e. checking to see if the user has registered for the second time with the system)(col 7, lines 38-42). While Houvener does not explicitly disclose that “an abnormally large number of accounts” is two, it is obvious that the number of accounts could be limited to one...or two...or three...depending on the desires of the system designer and the type of account. For example, two or three accounts with the same address may not be unusual for an individual running a business from his home; however, ten accounts probably would be considered excessive for the same individual. In another example, even two credit card accounts (e.g. two VISA® accounts with the same address and same biometric data) may be considered excessive and a potential fraud indicator.

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Conclusion

10. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9326. Draft or Informal faxes may be submitted to (703) 872-9327 or directly to the examiner at (703) 746-5544.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.


JWM

June 18, 2002


ERIC W. STAMBER
SUPERVISORY PATENT EXAMINER
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